Labour Market Notes

Unemployment rate falls with modest job growth

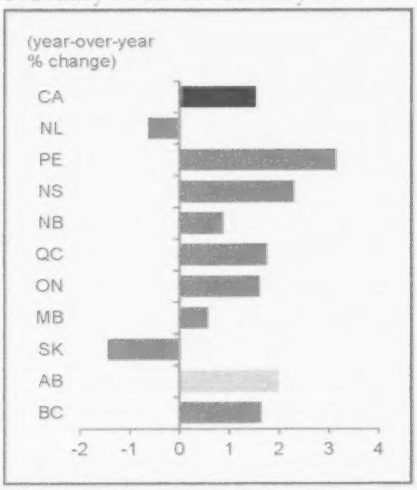
Alberta

- Employment edges higher. After a pullback in January, employment in Alberta grew by 2,300 in February.
- Unemployment rate falls to a 28-month low. Employment gains, in addition to a decline in the labour force, pushed down the unemployment rate. It dropped 0.3 percentage points to 6.7% in February, the lowest level since October 2015. The labour force participation rate decreased 0.3 percentage points to 71.9%.
- Rotation to full-time employment pauses. After gaining over 40,000 in the two preceding months, full-time employment lost ground in February, falling by 10,500. Since the June 2016 low, the economy has added 84,300 full-time jobs.
- Gains in the service sector. The monthly employment gains were in the service sector (+4,900) while the goods sector (-2,600) edged lower. Over the last year, the employment gains have been widespread with both the goods sector (+27,300) and service sector (+17,700) expanding.
- Solid year-over-year job growth. Employment continues to increase at a healthy rate, growing by 45,000, or 2.0%, year-over-year. This was slightly higher than the Canadian rate of 1.5%.
- Annual gains in manufacturing and natural resources. The year-over-year gains were led by consistent improvement in manufacturing and the natural resources industries, which added 18,500 and 10,900 jobs, respectively.
- Private sector takes a breather. Employment in the private sector fell for the second month in a row in February, but continued to lead annual employment growth. Over the last year, the private sector added 21,400 jobs, while self-employment expanded by 17,400 and the public sector by 6,200.
- Earnings move higher. Average Weekly Earnings (AWE) moved up 0.1% in November to $1,149. Compared to a year ago, earnings were up 1.2%.

Canada

- Modest monthly gain. After a large drop, Canada added 15,400 jobs in February, led by Ontario (+15,700), New Brunswick (+5,100) and Nova Scotia (+2,800). Canada has added 282,500 jobs over the last 12 months, for a year-over-year gain of 1.5%, down from the recent peak of 2.3% set in December.
- Unemployment rate ticks down. The Canadian unemployment rate edged 0.1 percentage points lower to 5.8%, matching a 42-year low.
- Canadian earnings increase. Canadian AWE ticked 0.2% higher in December to $993, 2.3% higher than a year ago.

Employment Growth by Province, February 2018 vs. February 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,316,800
month-over-month change	2,300
year-over-year % change	2.0%
Alberta Unemployment Rate (UR)	6.7%
Edmonton UR**	6.9%
Calgary UR**	7.9%
Participation Rate	71.9%
Average Weekly Earnings (AWE)	$1,148.59
year-over-year % change	1.2%
Average Hourly Wage	$30.88
year-over-year % change	3.6%
Job Vacancy Rate***	1.8%

Source: Statistics Canada

* All data is from the February 2018 Labour Force Survey, except AWE which is the December 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for November 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

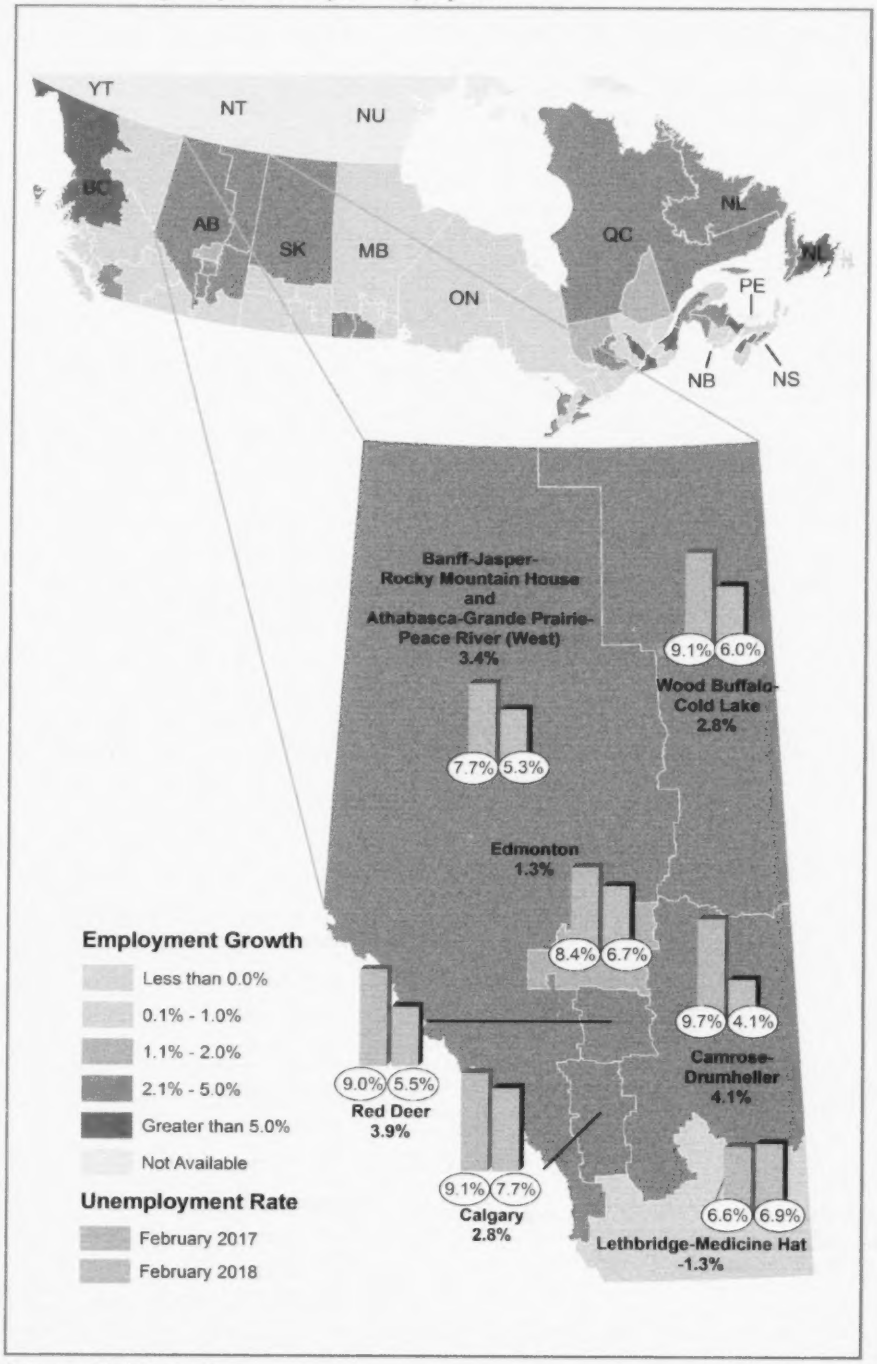
March 2018
Treasury Board and Finance
Economics and Revenue Forecasting

Regional labour market indicators

	2016	2017	2018 YTD
Alberta			
Population	1.3	0.9	1.0
Labour Force	0.6	0.7	0.1
Employment	-1.6	1.0	2.1
Unemployment Rate	8.1	7.8	6.8
Calgary			
Population	1.9	1.4	1.5
Labour Force	-1.3	1.8	0.6
Employment	-1.7	2.7	2.5
Unemployment Rate	9.2	8.4	7.6
Edmonton			
Population	1.7	1.3	1.6
Labour Force	1.3	0.9	0.3
Employment	-0.2	0.1	1.8
Unemployment Rate	7.4	8.1	6.8
West			
Population	0.6	-0.8	-0.3
Labour Force	-4.2	0.1	0.7
Employment	5.3	-0.5	2.6
Unemployment Rate	6.9	6.4	5.6
Lethbridge - Medicine Hat			
Population	0.0	-0.2	0.1
Labour Force	3.4	-4.4	-1.4
Employment	1.2	-3.3	-1.4
Unemployment Rate	6.9	5.7	6.8
Red Deer			
Population	1.2	0.9	0.5
Labour Force	-1.8	-0.1	0.4
Employment	-4.3	1.7	4.3
Unemployment Rate	8.6	6.9	5.5
Camrose - Drumheller			
Population	-0.3	-0.8	-0.7
Labour Force	-0.1	-0.6	-3.9
Employment	-3.4	0.7	1.3
Unemployment Rate	7.8	8.0	4.5
Wood Buffalo - Cold Lake			
Population	0.9	-0.8	1.7
Labour Force	-2.6	0.0	-0.5
Employment	-4.0	1.8	2.7
Unemployment Rate	9.3	7.7	6.2

* Year-to-date (YTD) is the change in the average based on 3 month moving averages

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada

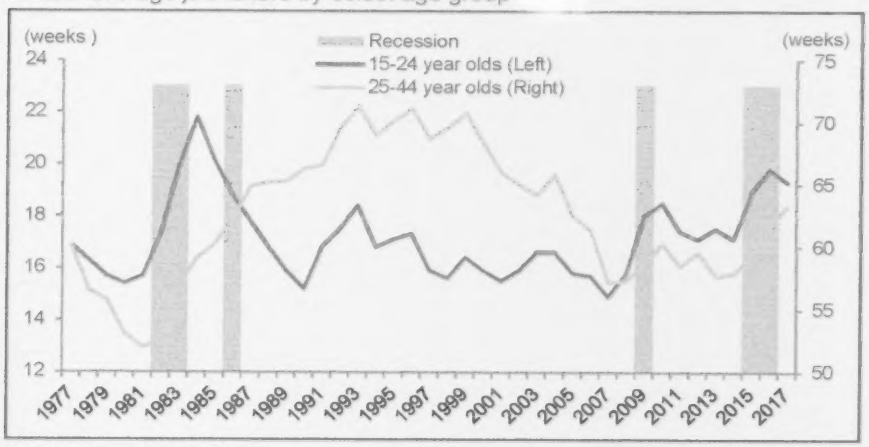
Job tenure trends in Alberta

While many factors influence how long employees stay in an employment position, changes in economic conditions and demographics play a large role. This Labour InSight looks at the recent trend in average job tenure in Alberta.

Job tenure on the rise in young and prime-age workers

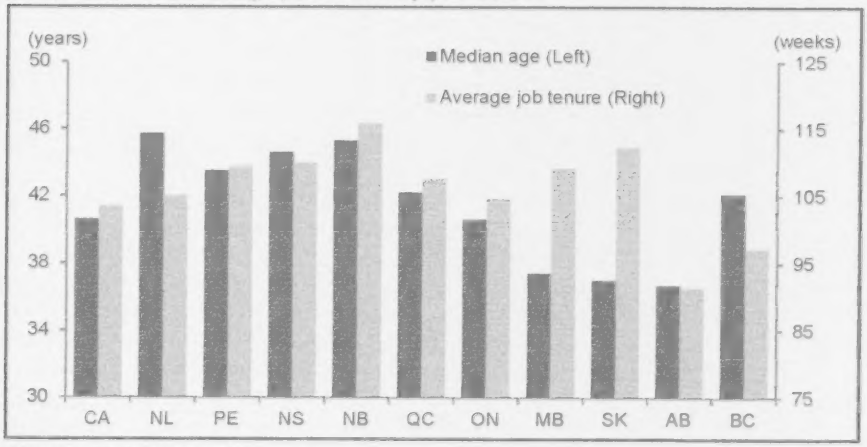
The average job tenure in Alberta has increased in the last three years, from 88.2 weeks in 2014 to 91.4 weeks in 2017. The increase has been concentrated in young (those aged 15 to 24) and prime-age (aged 25 to 44) workers. Since 2014, job tenure among young workers and prime-aged workers has risen by 2.2 weeks and 5.4 weeks, respectively, while tenure for older workers (aged 45 and over) has been virtually unchanged.

Chart 1: Job tenure increases in and after economic downturns
Annual average job tenure by select age group



Source: Statistics Canada

Chart 2: Albertans more likely to move jobs
Median age and average job tenure by province



Source: Statistics Canada

Tenure is countercyclical

People tend to stay longer in their jobs in periods of economic weakness as hiring slows and labour market turnover drops. In the last four recessions, job tenure in the province rose between 3% and 16%. Average job tenure for prime-age workers is the most sensitive to changing economic conditions, as they are more willing to change jobs when the economy is strong, but tend to hold on to their jobs during periods of economic uncertainty (Chart 1). The average job tenure in young workers is also sensitive to economic downturns and has increased in the last two downturns as fewer young people were able to find new jobs.

Maturing labour force

Average job tenure has also increased as the labour force has matured. The average job tenure of mature workers (those 55 and older) is significantly higher than all other age groups. As more baby boomers have entered this age cohort, its share of employment has increased from 10% in 2000 to over 21% in 2017. The aging of the workforce has lifted the average job tenure in Alberta and across Canada (Chart 2).

A dynamic labour force

Although job tenure has increased in Alberta, it remains the lowest among the provinces. Alberta's low job tenure is likely due to its younger labour force. The median age in Alberta is 36.7, the lowest across the provinces and nearly four years below the national level. With Alberta's labour force driven in part by interprovincial migration, a large proportion of the population is mobile and flexible.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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